RECEIVED
NOV 1 0 2006
N.S. LEGISLATIVE
LIBRARY

Better Regulation
Everyone's Business

Better Regulation 2005/06 Progress Report

Message from the Minister

As Chair of the Treasury and Policy Board, I'm pleased to provide this first annual report on government's Better Regulation Initiative to create simpler and more effective regulation. Better Regulation demonstrates our ongoing commitment to make it easier to do business in Nova Scotia without compromising protection for the public and the environment. Over the past year, employees across government have contributed to this important initiative, along with our partners in business and other interest groups. This report highlights accomplishments in the first year and upcoming priorities.

As the minister responsible for the government's Better Regulation Initiative, I'd like to acknowledge the combined efforts of so many departments to improve the way we regulate. They are led by a strong and committed steering committee, made up of assistant deputy ministers and senior people from the major regulatory departments. That team is chaired by Nova Scotia Environment and Labour (NSEL), which has significant operational responsibility for regulatory affairs and is leading the Competitiveness and Compliance Initiative, one of the major components of Better Regulation.

Building on the work and recommendations of the Red Tape Reduction Task Force that wrapped up in 2004, the Better Regulation Initiative aims to create a culture of constant improvement within government. It recognizes that, like business, government has to respond to changes in our environment and economy. This new approach to regulation values results and responds to the needs of our clients in business and in the community.

One significant step this year was setting the government's target of a 20 per cent reduction in the paperwork burden by 2010. This will decrease unnecessary costs without compromising important safety outcomes. It is also evidence of the commitment to long-term change.

Ultimately, the Better Regulation Initiative contributes to sustainable prosperity and the quality of life of our citizens, families and communities. I invite you to read this report and learn about the efforts underway to make Nova Scotia a leader in better regulation.

Angus MacIsaac

The Honourable Angus MacIsaac
Chair of Treasury and Policy Board

Message from the Chair of the Steering Committee

On behalf of the Steering Committee for the Better Regulation Initiative, it's my pleasure to share our progress from May 2005 through summer 2006. Thanks to the efforts of all departments, we have created a foundation to change the way we think about, and carry out, regulation.

After reviewing the regulatory reform efforts of governments inside and outside Canada and studies from the business community, we have chosen our approach – one that keeps the benefits of regulation for Nova Scotians while supporting business growth. We sought input from business organizations to better understand the impact of regulation and found they value regulation too, but not the excess paperwork some regulations create.

Our Steering Committee is leading an initiative that involves all departments and improves every step of the regulatory cycle. There are senior representatives from:

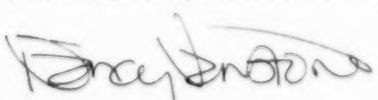
- Environment and Labour,
- Service Nova Scotia and Municipal Relations,
- Treasury and Policy Board,
- Office of Economic Development,
- Justice, and
- Finance.

Through many improvements – both small and large – we will have a sustained positive impact. Initially we are focused on:

- Service to Business, to reduce the cumulative administrative burden on business start-ups and the operations of specific business sectors;
- Competitiveness and Compliance, to change the way regulation is designed, communicated and enforced, which is detailed in its own annual report; and
- Measurement tools to help us understand the impact and effectiveness of regulation.

The Steering Committee has involved all departments through a network of regulatory coordinators. These individuals have gathered information from program staff to help measure the paperwork burden associated with provincial regulation. They continue to provide valuable information and play a lead role for change within their departments.

This document is the first in a five-year commitment to report annually on those changes. As we move forward on Better Regulation in Nova Scotia, we'll keep you informed and look forward to our continued collaboration.



Nancy Vanstone
Assistant Deputy Minister, Environment and Labour

Contents

Introduction 1

The Regulation Challenge 2

Better Regulation – Simpler and More Effective 4
The Benefits of Regulation 5

The Starting Point 6

An Ongoing Commitment 7

Making Progress 9
Competitiveness and Compliance – Equally Important 9
Service to Business – Benefiting Small Businesses 10
Solutions from Innkeepers 10

Real Impact, Really Measured 12
Better Regulation Index 13
Comparisons and the Cost of Compliance 13
Evaluating Effectiveness 14

Better Regulation: Building on a Strong Foundation 15

Reference Documents and Consultation 17

Introduction

THIS REPORT IS ABOUT REGULATION – the challenges, why it's important and how the Government of Nova Scotia is improving the way it regulates. The Better Regulation Initiative is noteworthy for how it differs from previous projects to improve regulation and red tape. Although the goal is still improvement, Better Regulation is making lasting changes to how things are done. Those changes will maintain or increase current protections while decreasing the costs to business.

Government employees have been working with business and industry organizations to gather input and better understand the impact of regulation on business. They have also been consulting with interest groups to get their perspective on the benefits of regulation and talking to other governments to find out what they've been doing to measure the impact and improve regulation.

In fact, this report contains information from many sources that helped to shape the plan and priorities of the Better Regulation Initiative. It references studies and reports by business organizations and government, including the Red Tape Reduction Task Force report. It also includes quotes from business people who participated in previous provincial government consultations.

This report summarizes the progress we've made so far on Better Regulation and is part of a commitment to report on our progress annually.

In this report, the word regulation is used to suggest the entire regulatory cycle – from the consideration of an issue through creation and enforcement – not just a written regulation.

Good regulation is essential for an effective marketplace. Poor regulation can increase risks for business and government. Elizabeth Beale, Atlantic Provinces Economic Council

The Regulation Challenge

Regulation brings order to society, protects the public, business and the environment, and ultimately contributes to our quality of life. So, why is regulation such a source of frustration and confusion for business?

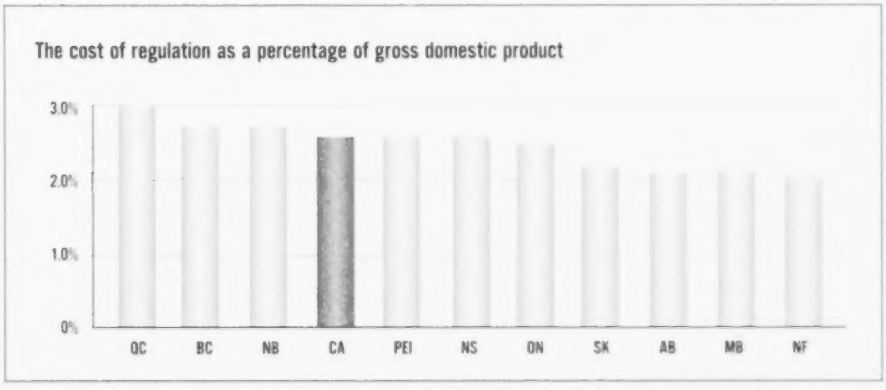
In many cases, the issue isn't the intent of the regulation but the way it is designed, communicated or enforced. The quality of regulation is a business success factor. For instance, when regulatory information is difficult to access or understand, business people may spend less time on revenue-generating work and may find it more difficult to understand and follow the rules.

The impact on small business is proportionately larger. According to the national Advisory Committee on Paperwork Burden Reduction (2005), if you are a small business, proving to government that you are complying with the rules is more burdensome than actually complying.

For most small businesses, it is the latter — the paperwork involved in filling out forms, seeking permissions, reporting regularly and maintaining records — that represents the greater burden.

2005 Progress Report on the Paperwork Burden Reduction Initiative, Industry Canada

A 2005 study by the Canadian Federation of Independent Business (CFIB) indicated the cost of compliance in Nova Scotia is equal to or below the Canadian average.



Source for numbers: Canadian Federation of Independent Business

Even so, the Nova Scotia business community has told us that to remain competitive, they must devote less time to filling out forms and more time to doing business. Business wants government to simplify the reporting process, and in particular to reduce the cumulative impact of requests from different departments for the same information.

Getting regulation "right" means the Government of Nova Scotia has to meet both its obligations:

- to protect citizens' quality of life, and
- to be sensitive to the burden regulations can place on business.

PROGRESS

BOAT on its way out

The Business Occupancy Assessment Tax (BOAT) began its elimination process in April 2006. Like many changes, this one involved intensive consultation with business. In this case, it also involved collaboration with the Union of Nova Scotia Municipalities.

The first group to have the BOAT eliminated includes restaurants, accommodations, car dealers and service stations. As a result of the impact analysis, the government made an additional change for seasonal tourist businesses. If the business is closed for four consecutive months, it now pays 75 per cent of the full commercial tax rate.

The elimination of the Business Occupancy Assessment Tax will reduce the reporting requirements for business and make the commercial property taxation system more equitable. Although the phase-out will take several years, for all but five per cent of businesses, it will be completely eliminated by 2010.

We are impeded from expanding our business by the amount of regulation and the time we have to spend on it.

Better Regulation – Simpler and More Effective

The Better Regulation Initiative aims to maintain the benefits of regulation while decreasing the costs to business. Simpler and more effective regulation in all provincial government departments will ultimately improve the economy of Nova Scotia and the quality of life for residents.

It's far better to have a process to ensure regulation is done in the most efficient way possible, rather than going back every five years to fix it.

Stephanie Robinson, ESW

Better Regulation will:

- improve the competitive position of Nova Scotia business,
- improve protection for the public and the environment.

Those goals will be accomplished by improving the quality of regulation – from start to finish – in Nova Scotia. Government employees are improving the entire regulatory cycle to make sure regulations are:

- carefully considered in consultation with business and the public,
- well designed and effective,
- clearly communicated and managed, and
- consistently enforced.

To achieve its goals, Better Regulation is involving employees from every government department and taking a different approach from previous initiatives:

- There is a significant focus on measurement to better understand the impact on business, monitor progress and improve the effectiveness of regulation.
- Improvements to how things are done and new regulatory tools will help ensure the changes are sustainable.

The Benefits of Better Regulation

For all Nova Scotians, Better Regulation means:

- effective regulations
- consistent enforcement
- better protection

For business, Better Regulation means:

- a level playing field
- streamlined access to clear information
- fewer, simpler forms
- less time on paperwork
- clarity about how regulations apply to them

PROGRESS

Simplifying and improving regulation

In November 2005, the *Nova Scotia Food Safety Regulation* replaced 75 sets of municipal and provincial regulations with one consistent regulation for the entire province. The result is more practical, consistent regulation that creates a level playing field, regardless of location.

This legislation is based on the work of the Canadian Food Inspection System Implementation Group, a federal-provincial-territorial government committee. Extensive consultation and input by various industry associations provided valuable information and will help with implementation.

The new regulation protects the food supply based on science, risk analysis and standards recognized by government, the food industry and consumers. To complement the new regulation, a more comprehensive *Nova Scotia Food Retail and Food Services Code* was developed based on the National Food Code. It clearly explains the harmonized food safety standards and operational guidelines using practical examples.

The regulator's responsibility does not end with the publication of the regulation. It is important that those affected are made aware of the rule or regulation and understand how to comply with it.

The Starting Point

To really understand the impact and make a noticeable difference, we are measuring the impact of regulation on business, starting with the paperwork burden.

Two of the immediate priorities for Better Regulation are:

- measuring the paperwork burden on business to create a baseline for reductions, and
- reducing the paperwork burden by 20 per cent by 2010.

The Better Regulation Index is an indicator of the impact of the paperwork burden on business, and it will establish a baseline against which progress can be measured. After looking at many different approaches, the government has chosen one that should help employees understand the impact and provide a consistent approach to track progress. The Index will be released to the business community so it can provide feedback and help validate the numbers. (See page 13 for more information on the Index.)

WHY FOCUS ON PAPERWORK?

Although paperwork may seem like a detail, it can be a significant amount of work for small businesses in particular. Not only that, international experience demonstrates the benefits of reducing paperwork are passed on to the consumer. Evidence from the Organisation for Economic Co-operation and Development shows that improving how information is collected can boost economic efficiency and innovation, enhance potential growth, and increase consumer choice and welfare.

PROGRESS

Training and regulation = more "amusing" rides

Amusement rides are only fun when they're safe. The Nova Scotia government has created new regulations that increase safety standards for amusement devices and align our standards with those of New Brunswick. These changes to regulations, accompanied by new training, have made the rides in Nova Scotia even safer and the rules easier to follow.

Nova Scotia Environment and Labour (NSEL) and the Nova Scotia Community College created a program to train qualified mechanics in properly maintaining all amusement devices. The training helps the industry comply with the new regulations, and more than 40 mechanics were trained in the first year of the program. As an additional benefit to the industry's competitiveness, the higher safety standards resulted in reduced insurance premiums for amusement device owners. This approach of regulation and training is proving so successful that other provinces are considering it as a model.

An Ongoing Commitment

The Better Regulation Initiative was launched in the spring of 2005, following the recommendation of the Red Tape Reduction Task Force: "Red tape reduction must be an integral part of government's corporate culture."

The Task Force's final report acknowledged the progress from 2000 to 2004, noting that 150 acts and regulations had been reviewed and changed. It also highlighted the benefits of streamlined administrative processes offered through Service Nova Scotia and Municipal Relations' website for business and other expanded online services. However, the final report also emphasized the need for continuous improvement and a new approach to regulation.

With leadership from Treasury and Policy Board, representatives from every department are working on Better Regulation. They're developing plans and putting processes in place to reduce unnecessary, uncoordinated and duplicate regulatory requirements as a routine business practice.

Paperwork burden is the time spent by business owners, employees or external contractors to understand and comply with government's requests for information. It includes the time spent seeking licenses, permits, registrations and certificates, filling out forms and reporting regularly.

PROGRESS

Land registration simplified

Implementation of the province's new land title system was completed in 2005. The Land Registry provides an ownership guarantee to Nova Scotians and eliminates repeat title searches. To receive the guarantee, land owners need to register their property in the new system and that requires one last historic title search. Although the result is better protection for land owners, conversion was onerous.

Changes to regulations for land registration simplified the conversion process. Prior to June 2006, each application to register a title had to be accompanied by a documented title history covering at least a 40-year search as well as additional forms. Now, lawyers registering titles have to certify that they've completed the search and have the supporting paper records to prove it. Then they may be asked to produce the information at any time as part of the Land Registry auditing process.

When a title property is first converted to the new system, it still takes a bit longer. However, subsequent title changes are very simple, saving significant time, particularly for the over 200 law firms who register titles. It also improves the efficiency of property closings for everyone involved.

Better Regulation is about making lasting changes to the way we think about regulation and the way we regulate. That means:

- considering a regulation's effect on business in addition to its effect on public protection, and
- examining a proposed regulation to determine whether it is the best solution or whether another tool could do a better job of promoting compliance, for everyone concerned.

Building awareness within government of the impact regulation can have on business is an important step toward lasting change. That includes an awareness of the cumulative impact regulation from a variety of departments can have on one business – taking a "whole-of-government" view of regulation.

A great example of understanding the cumulative impact of regulations occurred in the innkeeping sector. In 2005-2006, Service Nova Scotia and Municipal Relations conducted consultations with the inns sector to map the applications and approvals to start an inn. If what innkeepers face is typical of other businesses, government requirements for information can accumulate into a significant amount of work.

KEEPING THE INN IS CHALLENGING

The analysis of the sector revealed that to start an Inn in Nova Scotia you need to:

- **do business with a minimum of nine provincial government departments, divisions or agencies, and**
- **find and accurately complete 34 forms.**

What's even more surprising – almost half of the information entries are duplicated, and basic information like name, address and contact number is requested as often as 18 times.

[Government employees] aren't bad people, but they don't get it – don't understand.

Business owners, 2006 consultations

PROGRESS

Protecting the marine ecosystem

Working with the federal and provincial governments with interests in the offshore energy industry, Nova Scotia Energy led the efforts to establish national marine ecosystem requirements for the conduct of offshore seismic programs. In 2005, the governments released a Statement of Practice that covers seismic testing to identify potential offshore oil and gas reserves. It outlines practices for:

- base-line requirements for seismic activities, and
- methods to mitigate potential negative effects on the marine environment.

These consistent requirements will reduce uncertainty for the operators who conduct seismic programs, and they help protect the marine ecosystem. Measures to protect the ecosystem include a requirement to do seismic work outside of sensitive times such as spawning, establishing safety zones, and requiring the sound waves to be increased gradually to provide warning. The changes are expected to be implemented nationally in 2007.

Making Progress

The Better Regulation Initiative has made progress in several areas. In addition to the government-wide work on measuring the impact of regulation, two departments are leading initiatives that will set the stage for improvements to how all departments regulate. Nova Scotia Environment and Labour is leading the Competitiveness and Compliance Initiative to improve its regulatory system and achieve better compliance. Service Nova Scotia and Municipal Relations is leading a project to make it easier for clients to conduct business with government: Service to Business.

Competitiveness and Compliance – Equally Important

As one of the government's major regulatory departments, Nova Scotia Environment and Labour (NSEL) is leading the way in the design and implementation of better regulation. The 2005-2006 provincial budget allocated $500,000 for the Competitiveness and Compliance Initiative (CCI). Through CCI, the department is:

- developing tools to help government employees analyze regulatory needs and design effective regulations, and
- making it easier for clients to understand and comply with regulations.

As its name suggests, the Competitiveness and Compliance Initiative embodies the dual, complementary purposes of the entire Better Regulation Initiative. Both contribute to the competitiveness of Nova Scotia's economy by ensuring regulations are well designed, clearly communicated and administered, and enforced with consistency and dependability. The result will be simpler administration and lower costs for businesses.

At the same time, Better Regulation and CCI will improve *compliance* by:

- making information easier for regulated clients to understand,
- supporting inspectors with better training and electronic tools, and
- improving government's ability to measure and monitor performance.

CCI's accomplishments to date have included:

- creating guides to help NSEL employees analyze regulatory issues and develop consistent, effective regulatory proposals,
- launching compliance promotion strategies for a number of the department's programs, and
- streamlining a number of regulations.

For more details on CCI, visit the website at <http://www.gov.ns.ca/enla/cci> and take a look at their annual report.

Clients, as referred to in this report, are organizations affected by provincial regulation. Although Nova Scotia businesses represent a large part of the government's regulatory clients, they also include organizations such as schools, nursing homes and not-for-profit groups and individuals.

There shouldn't be a law for those who follow it and no law for those who don't.

Service to Business – Benefiting Small Businesses

Building on the experience gained in serving individual clients through the Access Nova Scotia Centres, Service Nova Scotia and Municipal Relations is leading the effort to make it easier for clients to conduct business with government. Although all business will benefit, the Service to Business project is focused on small and medium-sized operations because the administrative burden of regulation is more significant for these companies.

Better Regulation includes looking for ways to streamline services to business so it's easier to start a business, understand regulation and keep up with requirements. As of May 2006, businesses could apply for, pay for and/or renew more than 60 licences, permits, registrations and certifications through Service Nova Scotia and Municipal Relations' website for business – an online service that operates 24 hours a day.

Solutions from Innkeepers

Keep on informing. A lot of us didn't know we needed all these things covered.

Part of the Service to Business project is a pilot that uses opening an inn as a model. To better understand the challenges and potential solutions, consultations were held with innkeepers in early 2006. Using this information as a starting point, Service Nova Scotia and Municipal Relations worked with the other departments involved to create information packages for business. They cover the general requirements to start a business in Nova Scotia, as well as specific requirements for inns, accommodations and food service establishments.

Starting in fall 2006, service improvements are being made to three channels to deliver this information:

- a business counter for in-person service and a single point of contact for assistance that will be piloted in the Access Nova Scotia Centres in Kentville and Sydney,
- a dedicated province-wide telephone line for business clients to answer questions and direct them to information, and
- improved online information including application forms businesses can complete online, print and return, and the ability to check on the progress of applications for licenses processed through the Nova Scotia Business Registry.

If doing business with government becomes easier and faster as a result, the government will consider expanding this approach to other sectors. Of course, there is always more that can be done, and the innkeepers offered further ideas for solutions:

- using electronic forms that already contain repeat information like business name and address, so clients don't have to re-enter unchanged information,
- sharing approved information electronically among departments rather than sending duplicate requests to the client, and
- working with other departments and partner agencies to reduce the number of forms required to be completed.

Service Nova Scotia and Municipal Relations will continue to work with other departments within government to see how these ideas could be implemented and look for other ways to reduce overlap and duplication.

PROGRESS

Regulations in plainer language

To follow regulations, you have to understand them. Sometimes that can be difficult even for lawyers and judges, who are used to dealing with regulations. At the Nova Scotia Department of Justice, the Registry of Regulations has begun a multi-year project to revise and consolidate the province's approximately 1,200 regulations. The result will be:

- regulations in plainer, more consistent language, and
- the removal of old and expired regulations.

The Registry has also published a revised style manual to serve as a reference for those drafting new regulations. It includes standards for drafting regulations and plain language tips.

THE IMPACT ON SMALL BUSINESS

According to research conducted by the Canadian Federation of Independent Business:

- **it costs businesses with fewer than five employees almost $5,000 per employee to comply with regulations.**
- **for 73% of businesses, it is the owner who primarily deals with regulations.**

Now consider that almost 95 per cent of businesses in Nova Scotia are small – employing fewer than 50 employees – and they produce 24 per cent of the province's gross domestic product.

The single biggest problem I have with government is not knowing where to look.

Real Impact, Really Measured

The objective to reduce the paperwork burden by 20 per cent by 2010 is in line with the figure business has called for and mirrors the work of the national Advisory Committee on Paperwork Burden Reduction for small business in Canada.

To help make a lasting change in regulatory approach, the Better Regulation Initiative is measuring for accountability and progress. We are measuring the impact of regulation on business and our progress to reduce that impact and make regulation more effective. Following considerable research into what other governments and business have measured and how, employees are working to:

- measure the paperwork burden on business to create a baseline for reductions,
- reduce that paperwork burden by 20 per cent by 2010 – over four years,
- gather information on the cost for business to actually comply with regulation in Nova Scotia and how that compares to other provinces, with the help of Statistics Canada, and
- build measurement into new and revised regulations to evaluate their effectiveness.

PROGRESS

Securities – taking regulation from 12 to 1

With 13 provincial and territorial security regulators, Canada has a reputation for an inconsistent and inefficient regulatory environment. In 2005, Nova Scotia signed an agreement with all other provinces and territories, except Ontario, to develop highly harmonized securities legislation across Canada. The new approach will be easier for business and provide improved protection for consumers by strengthening enforcement.

The agreement calls for "single window" access, which would allow business to access capital markets in participating provinces and territories by dealing with their principal regulator. If a business meets the requirements of the regulator in its home province, then it will be deemed to meet the other requirements.

Amendments to Nova Scotia's securities laws in 2005 began the process to reduce the duplication and better share authority, by making it possible for the signatories to recognize and enforce one another's decisions. Now the government is planning for further improvements.

Better Regulation Index

Applying the principle that we focus on what we measure, the Better Regulation Index is a tool to achieve continuous improvement and demonstrate progress. As mentioned, the Index is an estimate of the paperwork burden associated with provincial department regulation. It creates a baseline against which we'll measure progress toward the 20 per cent reduction target. Additionally, the Index will inform departments as they develop their individual and combined plans to reduce administrative requirements.

Because businesses don't feel the effects of regulation one rule or one department at a time, the Index attempts to measure the total time it takes business to complete paperwork for the provincial government. Coordinators from every department have provided the data being used to create the Better Regulation Index, which will be released to the business community for input on the estimates made by departments. Then the inventory will be updated annually to measure progress to 2010.

Regulation imposes two types of costs on business – costs incurred to meet regulatory requirements and costs resulting from the information obligations to report on their compliance with these requirements.

(adapted from: *2005 Progress Report on the Paperwork Burden Reduction Initiative*, Industry Canada)

Comparisons and the Cost of Compliance

To fully understand the level of its regulatory costs, Nova Scotia needs to:

- compare itself with other jurisdictions in Canada, and
- ensure it understands the total cost of regulation.

The 2005 survey on regulations by the Canadian Federation of Independent Business provides some comparison with other provinces. Nova Scotia has partnered with the federal government on a Statistics Canada survey to obtain baseline data on the cost of compliance overall. The *2006 Survey of Regulatory Compliance Costs* measured the dollar cost of regulations at the federal, provincial and municipal levels in Nova Scotia in comparison with other Canadian jurisdictions. We've received some preliminary data and expect all of the data by the end of the year.

The information is being analyzed to allow the government to compare the cost of regulation in Nova Scotia to other provinces. The survey will be repeated in 2009 to measure change over time.

When the cost in time and money is too high, it not only takes from the business, but also leads to non-compliance. The higher the compliance cost, the more it sends people to the underground economy.

Evaluating Effectiveness

The dual purposes of Better Regulation include making regulation more effective – setting standards that contribute to our quality of life and ensuring predictable enforcement of those standards. To do that, government, the public and business need a clear understanding of what a regulation is trying to achieve – a statement of results that can be used to determine if the regulation is effective. One of the next steps is to develop tools to measure the effectiveness of individual regulations. As Better Regulation progresses, this element of evaluation will be built into new and revised regulations.

PROGRESS

Saving energy for the offshore

Nova Scotia Energy has worked for several years with the federal and Newfoundland and Labrador governments and industry stakeholders on regulatory priorities for offshore energy. The department also chaired the government-industry working group on the top two priorities:

- decreasing the time to get regulatory and environmental approvals for development projects, and
- modernizing regulations.

Through that group, Nova Scotia Energy helped create a more integrated and streamlined process for large-scale offshore development projects. In 2005, the province led the way on an agreement to handle regulatory and environmental assessment processes concurrently. Although both processes maintain their requirements, the time from application to approvals is reduced from nearly two years to less than one. In addition, combining the two steps provides an opportunity for public hearings not necessarily required under the assessment. This integrated approach is being used for the first time with EnCana's Deep Panuke Project off the coast of Nova Scotia.

Work is also underway to modernize regulations for offshore oil and gas. The proposed regulation changes will allow the latest standards to be applied without waiting for a change in the regulation, something that increases protection and saves money for companies. The first amendment was approved by the Nova Scotia government in August 2006 and is scheduled to go into effect at the end of 2006. It will allow more flexibility for offshore well testing requirements, which could reduce the cost for a single well by up to $30 million in some cases.

Better Regulation: Building on a Strong Foundation

In the past year, the Better Regulation Initiative has created a strong foundation for lasting change, through the work of employees across the government. We've done substantial work to:

- understand the benefits and impact of regulation on Nova Scotia business,
- measure the regulatory burden,
- improve how we develop and evaluate regulations, particularly through the Competitiveness and Compliance Initiative,
- streamline services to business, much of it through Service to Business, and
- work across departmental lines to improve communication with business and streamline services for a more coordinated, efficient approach.

Through all of this work, we are maintaining or increasing the level of protection for the public and the environment. In fact, the successes we've had reinforce that Better Regulation can both make compliance easier for the organizations we regulate and improve protection.

Regulation that protects the public and is clearly written is good. But often it is unclear and there isn't always someone to talk to – to help you understand it. The good news is that government is doing something. The government is listening and they have heard that this is a concern for businesses.

Voice from Nova Scotia Chamber of Commerce

PROGRESS

Inspector training = more consistent approach

Inspectors are the frontline employees who enforce regulations. Through the Competitiveness and Compliance Initiative, Nova Scotia Environment and Labour worked with the Nova Scotia Community College to develop a common training program for its inspectors. The program ensures all inspectors receive consistent training on inspection, investigation and prosecution that will complement their program-specific training. It also encourages employees from the different program areas to share their experiences and inspection issues so they can learn from one another.

The outcome will be better-equipped inspectors and more consistent enforcement. The first group completed the training in June 2006. Over the next few years, the training will be delivered to all inspectors in Occupational Health and Safety, Public Safety, Environmental Monitoring and Compliance, and Alcohol and Gaming.

With the foundation in place, work over the coming year is focused on further improvements that business can see, using our measurement baseline to ensure they have a significant impact.

In 2006-2007, we will share the Better Regulation Index with the business community, discussing how we arrived at the numbers and seeking their input. It will provide another opportunity to increase our understanding of the impact of regulation on Nova Scotia business.

Work will continue on our lead initiatives in the Departments of Environment and Labour and Service Nova Scotia and Municipal Relations. Service Nova Scotia and Municipal Relations is planning to add more forms and processes to their online services for business. In addition, all departments will put plans in place to reduce paperwork burden and improve the effectiveness of regulation.

Consultation with the business community and interest groups will continue under the leadership of various departments since it's an ideal opportunity to hear from them directly. Even more important, these discussions provide business and the public the chance to be part of the solution – Better Regulation to protect Nova Scotians and the environment more effectively while reducing any unnecessary impact to business.

For more information and updates on the Better Regulation Initiative or for more copies of this document, please visit our website at < http://www.gov.ns.ca/betterregulation/>.

PROGRESS

Administration of taxes

Taxes are another significant paperwork requirement for business. As part of its ongoing responsibility to assess the performance of the tax system, the Department of Finance conducted focus groups and online surveys with large and small businesses throughout the province in the spring of 2006.

Nova Scotia's businesses expressed concerns about the administrative burden of taxes and indicated they see little difference between regulatory compliance and tax compliance. Simply put: a burden is a burden.

Taxes cross the boundaries of the provincial, municipal and federal governments, making it a challenging area to change. The Department of Finance will continue to discuss these issues with taxpayers and with their federal and municipal counterparts. As part of its ongoing responsibility to review the tax system, the department examines tax forms and legislation every year to find ways to reduce the administrative burden while supporting compliance with tax laws. Less administration, whether in taxes or regulations, contributes to the decreased paperwork objective of Better Regulation.

Reference Documents and Consultation

Reports

- *2005 Progress Report on the Paperwork Burden Reduction Initiative*, Industry Canada, 2006
- *Rate R: Prosperity Restricted by Red Tape*, Canadian Federation of Independent Business, 2005
- *Key Small Business Statistics*, Industry Canada, July 2005
- *Red Tape Reduction Final Report*, Red Tape Reduction Task Force, September 2004
- *Business Views on Red Tape: Administrative and Regulatory Burdens on Small and Medium-sized Enterprises*, OECD, 2001
- *Nova Scotia Environment and Labour's Competitiveness and Compliance Initiative Annual Report 2006*

Government of Nova Scotia Consultations

- Consultation – *Service to Business (S2B) Inns Project*, Coldwell & Associates Consulting, April 2006
- *Report on Consultation Nova Scotia Tax Framework: Foundation Study – Business Perspectives on Taxation*, Coldwell & Associates Consulting, March 2006

Business Organizations Consulted

- Canadian Federation of Independent Business
- Canadian Restaurant and Food Service Association
- Construction Association of Nova Scotia
- Halifax Chamber of Commerce
- Greater Halifax Partnership

NOVA SCOTIA

www.gov.ns.ca/betterregulation